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Southern District of New York*

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**THREE DIAMOND DISTRICT BUSINESSMEN AND TWO JEWELRY  
BUSINESSES INDICTED AS PART OF MONEY LAUNDERING  
INVESTIGATION**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, today announced the indictment and arrest of three defendants and two companies as a result of a money laundering investigation involving jewelry vendors operating in the "diamond district." The investigation was jointly conducted by the Drug Enforcement Administration ("DEA"), the Internal Revenue Service ("IRS") and the New York City Police Department ("NYPD"). Collectively, the charges filed concern the laundering of approximately \$1.5 million in narcotics proceeds, among other crimes. The charges, which are contained in three separate indictments, include conspiracy to commit money laundering and substantive money laundering, and seek forfeiture of the laundered funds.

In three separate indictments, a Grand Jury sitting in the Southern District of New York has filed federal money laundering charges against EBRAHIM RAPHAEL, HAMID DELSHAD and PRINCESS GOLD MANUFACTURERS, INC. (a business operated by

DELSHAD), and YITZCOK HIRSCHFELD and INTENSE & VIVID, INC. (a business operated by HIRSCHFELD). The three individual defendants were arrested today in Manhattan and will be presented in federal court in Manhattan.

In part, the indictments allege that a co-conspirator ("CC-1") received deliveries of narcotics proceeds at a business office in Manhattan. These proceeds, in the form of bags containing tens of thousands of dollars in cash, were then allegedly provided to individuals, such as RAPHAEL, DELSHAD and HIRSHFELD, who operated or had relationships with businesses operating in New York's "diamond district." For a fee or "vig," RAPHAEL, DELSHAD and HIRSHFELD would allegedly provide CC-1 with checks drawn on accounts of their businesses or other third-party businesses. To disguise the nature of these transactions, the participants, among other things, allegedly used coded language when arranging the transactions. To further disguise these transactions, CC-1 would allegedly provide false invoices to RAPHAEL, DELSHAD and HIRSHFELD. The invoices stated that CC-1 had received a check in exchange for items of value, including diamonds and jewelry; however, CC-1 allegedly never gave RAPHAEL, DELSHAD or HIRSHFELD diamonds or jewelry. In addition, it is alleged, the false invoices were sometimes back dated. After receiving the checks, CC-1 allegedly deposited the checks into a bank account and wired the funds to various third party bank accounts as directed, thus enabling the narcotics proceeds to be sent from New York to South America, including Colombia and

Venezuela, in order to promote further drug trafficking and in a manner designed to conceal the fact that the money represented narcotics proceeds.

Mr. KELLEY praised the DEA, IRS, NYPD, and NYSP for their outstanding work, and important assistance in this investigation.

Assistant United States Attorney DAVID BERARDINELLI is in charge of the case.

The charges contained in the Indictments are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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